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SOURCE Probleme Economice

REPORTS FROM BRANCHES OF RUMANIA'S CONSUMER GOODS INDUSTRY

[Comment: The following report covers four articles appearing in the December 1953 and January 1954 issues of Probleme Economice on the subject of consumer goods. The wide interest being shown in this phase of Rumania's economy is in line with the new economic policy outlined at the 19-20 August 1953 meeting of the Central Committee of the PMR (Partidul Muncitoresc Roman, Rumanian Workers Party).

The first article deals with the production of metal consumer goods by various factories throughout Rumania. The second article deals with the production of clothing by the Gheorghiu-Dej factory. The remaining two articles deal with the production of shoes by the Solidaritatea and the Ianos Herbak shoe factories.

Numbers in parentheses refer to appended sources.]

Increase in Production of Metal Consumer Goods

Metal products which are destined for consumer use form a significant part of the consumer goods industry. They are of great importance to the national economy and are a great aid in improving the general standard of living.

Metal consumer goods encompass a large number and variety of items, such as the following: nails, galvanized sheet, ferrous sheet, sheet metal rims for wheels of carts, enameled kitchenware, toys, sewing machines, bicycles, bulbs, various household electrical machines, refrigerators, and radios. Production of these metal consumer goods has grown noticeably, as can be seen from the following table (1950 is used as the index year):

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Category	1950	1951	1952	1953
Total production of metal consumer goods	100	174	238	300
Factories under the Ministry of Industrial Metallurgy and Machine Building	100	145	174	212
Factories under the Ministry of Electrical Energy and Electrotechnical Industry	100	112	227	235
Artisan cooperatives	100	248	365	490

An analysis of the 1950-1953 rise in production shows the following results:

Products	1950	1951	1952	1953
Installed equipment	100	140	220	270
Radios	100	103	65	62
Radio loudspeakers	--	--	100	415
Bulbs	100	85	137	125
Household electrical appliances (irons, hot plates, etc.)	100	130	120	150
Lanterns	100	124	99	109
Electrical sockets	100	356	542	438
Gas cylinders	100	207	230	236
Cast articles	100	214	228	210
Utensils of ferrous sheet	--	100	136	220
Shovels and spades	100	102	312	750

The three main producers show a difference in their rhythm of production. During the same period of time, factories under the MIMCM (Ministerul Industriei Metalurgice si Constructiilor de Masini, Ministry of Industrial Metallurgy and Machine Building) show an increase of 112 percent, those belonging to the MEEIE (Ministerul Energiei Electrice si Industriei Electrotehnice, Ministry of Electrical Energy and Electrotechnical Industry) show an increase of 135 percent, and the artisan cooperatives show an increase of 390 percent. Similarly, the growth in the production of individual products varies widely. For example, spade and shovel production rose 650 percent, radio loudspeaker production rose 315 percent, and gas cylinder production rose 136 percent.

Of the factories belonging to the MEEIE, the Electrofarul factory increased its variety of goods by introducing various new types of bulbs and lights. Similarly, the Electroaparataj factory added interruptors, bells, fuses, electric irons, etc. to its production, and the Electrocablul factory organized a special iron section for producing valves and clamps. During 1953, some 15 types of metal consumer goods were put in production for the first time, and more items are expected in 1954.

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Despite the expansion of many factories and the increase in production and in variety of goods, conditions still are far from satisfactory. Serious losses are experienced and insufficient use is being made of the production capacity of each factory. Improper organizational methods are also being followed. To obtain increased production, a more skillful use of the internal reserves and an increase in the technical knowledge of the workers is vital. The FAT [not further identified] factory in Codlea, Stalin Regiune, offers a perfect example. By a more rational organization of its workers, it almost doubled its production of sheet metal. Because of further improvements, production in 1954 is expected to be double that of 1953.

To make the most use of its equipment, the factory must repair it effectively and with systematic regularity. When factories like Tehnometal and Partizanul give good care to their equipment, this maintenance is reflected in increased production and regular plan fulfillment.

The 19-20 August 1953 meeting of the Central Committee of the PMR called attention to the great lack of consumer goods, such as certain types of bulbs, scissors, hammers, and screwdrivers. This condition is largely due to the fact that many factories have serious organizational problems which hamper production. For example, norms at the Armatura factory in Cluj are not being fulfilled because they are set up and revised in a bureaucratic manner. The norms for 7,000 of the 14,000 reapers planned were recently revised in the office rather than at the work site.

Grave errors exist in relation to technological processes. The Metalica factory's lack of proper organizational measures is the reason for its low quality goods. The result is seen in locks which can be opened by any key and nails which bend when used. The Recas factory shows serious defects in organization and labor productivity in that most of the goods are produced not according to written specifications or designs but simply according to general instructions.

Similar errors had adverse influences in other factories belonging to the General Directorate of Metal Consumer Goods, as can be seen in the following table showing plan fulfillment percentages for the third quarter of 1953:

Factory	Production	Wage Fund	Variety of Products	Labor Productivity	Use of Machinery	Average Salary	Sales
Metaloductil	97.7	109.2	33	103.1	113	105.0	36
Muncitorul Liber	116.8	103.3	100	112.0	104	99.6	26
Flacara	97.8	98.4	43	100.1	104	100.7	134
Triumf	101.6	106.6	100	110.6	101	113.0	41
Drum Nou	120.2	111.9	100	103.9	101	105.0	11
Mo jul	107.6	111.2	100	109.9	100	115.3	22
Elastic	114.4	109.3	80	118.1	100	116.2	58
Tehnometal	118.5	121.5	75	86.4	100	91.9	13
Ion Fonaghi	121.2	114.7	100	124.0	100	121.4	76

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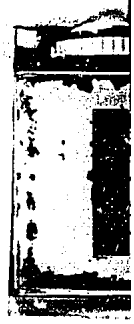

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Factory	Production	Wage Fund	Variety of Products	Labor Productivity	Use of Machinery	Average Salary	Sales
Metalia	94.1	104.8	33	95.4	96	106.7	20
1 Septembrie	103.0	108.7	57	93.0	90	99.5	100
Partizanul	97.3	101.7	25	97.8	89	97.8	11
Metalurgica Pitesti	106.1	110.8	100	107.2	88	107.4	67
Fierarul	85.1	--	--	86.5	86	92.6	29
Metalurgica Buzau	109.8	110.8	40	106.2	85	111.0	26
11 Iunie	98.2	107.2	40	95.2	84	95.2	--
Armatura	92.1	97.0	--	101.1	77	101.0	46
9 Mai	97.0	97.3	33	114.6	76	116.0	23
Breiner Bella	84.7	93.8	100	82.7	66	104.9	13
Emailul Rosu	102.8	105.9	--	95.4	44	100.9	33
Recas	96.9	101.3	--	98.9	--	101.0	38

The production plan for the entire directorate was fulfilled 104 percent during the third quarter of 1953, but variety norms were fulfilled only 58 percent. Some individual enterprises show an even lower percentage of variety plan fulfillment. For example, Metaloductil fulfilled its variety plan only 33 percent and Partizanul fulfilled its variety plan only 25 percent. The situation with regard to the percentage of utilization of machinery is similar. Although factories like Metaloductil can boast of 113 percent fulfillment, the Breiner Bella factory uses only 66 percent of its machine capacity and Emailul Rosu only 44 percent.

To liquidate shortcomings in labor organization and to increase production of metal consumer goods, supplies of raw materials must be increased and unnecessary use of supplies and equipment must be eliminated. Moreover, full use must be made of scraps and remnants, and the good practices of a few factories must be extended to all others. The Partizanul factory, for example, is making hammers from scraps left over in the production of axes, and the Tehnometal factory is making wire baskets and buckles from wire cuttings. The FAT factory in Codlea is making dustpans and cooking pans from sheet remnants.

Another problem is the improvement of product quality. Because of a series of concrete measures which have been adopted, the quality of goods at the Menajul factory in Cluj and at the Flacara factory in Ploesti have improved considerably. The packing and wrapping of goods must also be improved. Goods arrive at destination either in damaged condition or in such an unattractive state that they lack the necessary eye appeal. Moreover, there must be a radical improvement in the planning methods.

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Closer cooperation must be developed among the MIMCM, the MEEJE, and the UCECOM (Uniunea Centrala a Cooperativelor Mestesugaresti, Central Union of Artisan Cooperatives), so that production and distribution of items may be made in the most advantageous manner. Moreover, closer cooperation must develop between individual enterprises, so that each will show greater respect for the contracts which are undertaken. (1)

Achievements of Gheorghiu-Dej Clothes Factory

New efforts have been made by the Gheorghiu-Dej clothes factory in Bucharest to increase production and to expand the variety of goods. From 1950 to 1953, variety in women's, men's, and children's clothing increased sizably. For example, for every 10 women's dresses produced in 1950 and 1951, there were 200 dresses produced during 1952 and 300 dresses during 1953.

To meet all the demands for consumer goods, the collective of the Gheorghiu-Dej factory adopted a series of technical and organizational measures which would ensure not only greater production but also higher quality of clothing. Good quality in the finished product is dependent upon three factors: quality of the raw material, quality of the design, and quality of dressmaking. All these are studied periodically by the factory collective and administration. To perfect the methods and steps in dressmaking, the following requirements were particularly stressed: perfect pattern designs, quality norms, better organization of the work site, increased training of workers, reduction in the amount of remnants, intensification of socialist competitions, and application of Soviet work methods and standards.

The training program of the Gheorghiu-Dej clothes factory was surpassed in 1953. In that year alone, some 248 workers qualified as skilled workers in grades I and II. The masters school is currently being attended by nine workers, and many other students are attending the night courses of the textiles school. Moreover, increasing numbers of workers are participating in socialist competitions. For example, approximately 82.38 percent of the workers entered competitions during October 1953; these competitions resulted in a 104.51 percent fulfillment of the plan, a 10 58 percent increase in labor productivity, and a 1.37 percent increase in the quality of goods.

The 19-20 August 1953 speech of Gheorghiu-Dej was of great importance to the workers of the clothing industry. The 1953 variety plan of the Gheorghiu-Dej factory was fulfilled ahead of schedule; this resulted in a 12.5 percent increase in clothing, as compared to the same period in 1952. During 1953, this factory produced 191 new clothing designs and fulfilled the quality plan 101.36 percent. This reflects the total rise of Rumania's consumer goods production which, in the third quarter of 1953, was 2.35 percent higher than in the second quarter of 1953 and 36.67 percent higher than in the third quarter of 1952.

As a further illustration of the growth in the Gheorghiu-Dej factory's production, it is reported that the women's overcoat production plan for the first three quarters of 1953 was surpassed by 101,167 coats Similarly, in 1953, the factory produced 13,949 more women's jackets, 26,080 more men's raincoats, and 38,527 more children's woolen garments than were produced in the same period of 1952. The quality plan for the first quarter of 1953 was fulfilled 101.35 percent, and for the third quarter of the same year it was fulfilled 101.37 percent.

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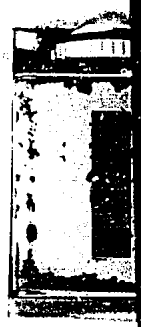

Aside from the rise in the volume of production, in the variety of goods, and in the standards of quality, the collective of the Gheorghiu-Dej factory also increased its labor productivity. Labor productivity in the first quarter of 1953 was 17.6 percent higher than in the same period of 1952. As a result of economies throughout the factory, a whole series of clothing items were produced at a considerably reduced cost. From remnants alone, workers produced wearing apparel valued at 403,563 lei.

Despite all these successes, the Gheorghiu-Dej factory has a number of shortcomings. Variety of designs and colors is far from satisfactory. Children's selections are still unsatisfactory in regard to sizes, styles, and quality. However, when these and other shortcomings are overcome, the Gheorghiu-Dej factory will be able to render even greater service to the consumer public in Rumania. (2)

Achievements of Solidaritatea Shoe Factory

Workers in the shoe and leather industry must intensify their efforts to increase the production of shoes to 10 million pairs in 1955. Of this number, 3 million pairs will be children's shoes, and 4 million pairs will be rubber wear.

The Solidaritatea shoe factory in Oradea is a typical example of progress under nationalization. The factory building was completely modernized. Exhaust and ventilating installations were set up, doors were repaired and thermopane windows were installed. Workers were furnished with a canteen, a medical dispensary, a modern bathhouse, a club, a library, and a nursery for the children.

Production increased, and costs were steadily lowered. Using 1949 as the index year, the following rise is noted in the factory's production:

1949	1950	1951	1952	First 8 Mo of 1953
100	109.9	142.5	149.5	190.9

During the same period, costs were reduced by 23.31 percent, primarily as a result of higher labor productivity and reduction in the use of raw materials. The workers' benefit program was surpassed 31 percent in 1951, 38 percent in 1952, and 14 percent in the first 6 months of 1953.

All these achievements would not have been possible had it not been for the increase in the internal reserves of the factory. Socialist competition has been adopted in every section and every brigade of the factory. Thus, by the end of 1952, 98 percent of the factory workers and 87 percent of the factory white-collar employees were engaged in socialist competitions. However, the increase in the use of internal reserves has been of greatest importance. Costs of raw materials represent approximately 65 percent of the cost of the finished product. A saving of 322,265 lei in raw materials was effected during 1952. During the first 10 months of 1953, the factory saved over 390,000 square decimeters of leather, from which 26,000 pairs of shoes were made.

Of particular note during 1953 has been the application of the Elena Chisiu and Nicolae Militaru methods for improving the quality of products and reducing costs. Through more careful cutting, substantial quantities of leather have been saved. For example, by rectifying the former cutting patterns of women's house slippers, 150 square centimeters of kid have been saved on each pair of slippers. This made possible a surplus production of 4,000 women's slippers in the course of the first 9 months in 1953. Similar

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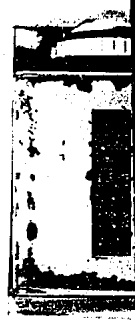

economies were achieved in other types of shoes as well, resulting in savings of 53 square centimeters of goat leather for each pair of children's shoes. Over a period of 9 months, this amounted to a saving of 2,350 lei.

By sketching the shoe pieces directly on the leather prior to cutting, factory workers have achieved a saving of 40,000 lei yearly. Moreover, by substituting local or native raw materials for those formerly imported, the factory saved an additional 159,670 lei

A major problem has been the increase in the amount of available working space. Production per square meter of factory space rose from 223 pairs in 1950 to 265 pairs in 1953. This crowded condition causes serious disadvantages, particularly with respect to the safety of workers. By rearranging the offices and storage rooms, an added space of 400 square meters has been made available to the working force of the factory.

Another major problem has been the proper maintenance of machinery. Instead of keeping all the mechanics of the factory grouped together in the maintenance shop, the factory assigned them to the various divisions, where they keep constant watch over the machines of their respective sections. Time is saved not only because the mechanics need not go from section to section, but also because machines are repaired promptly or preventive measures for eliminating breakdowns are adopted. The central maintenance shop is still in existence and retains close contact with its mechanics assigned to the various sections. The maintenance shop has the major duty of producing all the necessary spare parts and tools for the sections of the factory.

The most important internal reserve, which heretofore was overlooked, is the productivity of labor. Early in 1951, the Solidaritatea factory received a series of new machines, from the USSR and from the people's democracies, which helped to increase its production. For example, the "sole-sewing" machine increased the number of shoes sewn per day from 175 pairs to 240 pairs. In addition, it raised labor productivity 37 percent. The time for finishing a pair of women's shoes was reduced in 1952 by 18 62 percent, as compared to 1949. In the same period, the level of mechanization rose from 53.8 percent to 61.64 percent. From 1949 to 1952, the time required to finish children's shoes was reduced by 27.5 percent, because of the increase in mechanization of operations from 54.10 percent to 74.17 percent.

The graphic method is in full use at the Solidaritatea factory and is giving satisfactory results. Moreover, absences were reduced by 0.13 percent and latenesses by 0.05 percent during the first 8 months of 1953. Some 105 workers qualified as skilled workers in 1952 and a still greater number in 1953.

To increase the number of workers' suggestions, four "suggestion days" were organized at the factory during 1952 and three other such days were set up during the first 8 months of 1953. Moreover, a contest was started to determine who was the best innovator. The outcome was 154 proposals during 1952, of which 115 were accepted, resulting in a saving of 108,509 lei. During the first 8 months of 1953, 157 proposals were made, 83 of which were accepted, resulting in a saving of 176,500 lei.

One leading suggestion called for a device to attach the buckles to women's shoes, with a resulting 300 percent increase in labor productivity. The time for attaching the buckle was reduced from 4.14 minutes to 1.15 minutes. Another suggestion improved the process of stretching children's shoes over the last. This reduced the time from 19.67 minutes to 15.8 minutes, thereby freeing four workers for use in other jobs.

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Following the Solidaritatea factory's reorganization in 1951, the five major sections were the cutting, stamping, machine sewing, flexible shoe, and gluing sections. Each section was supplied with additional machinery and manpower to make its operations more effective.

To improve the quality of the products, the system of self-control was instituted throughout the factory. This method increases the personal responsibility of each worker for the goods which he produces. To the degree that they fulfill the quality norms, workers receive prizes which can equal 30-40 percent of their basic salaries.

As a result of all these improvements, the Solidaritatea factory in Oradea completed the October 1953 norms 112 percent and reduced costs by 6 percent. Workers saved 96,000 square decimeters of leather, from which 3,520 additional pairs of shoes were made. In the first 10 days of November 1953, workers saved 14,050 square decimeters of leather, from which they made 1,000 additional pairs of shoes. By using the internal reserves to the fullest, the factory is rendering substantial help in the struggle to increase the general standard of living. (3)

Ianos Herbak Shoe Factory's Development

Since its organization in 1910, the Ianos Herbak shoe factory (formerly Dermata) in Cluj grew in size and importance. The following table shows its prewar expansion:

Year	Value of Rumania's Total Production of Leather and Shoes (in million lei)	Production of Dermata Factory	
		Value (in million lei)	Percentage of Rumania's Total Production
1927	3,149	515	16
1928	3,048	563	18
1929	2,614	515	19
1930	2,091	617	29
1931	1,549	650	42
1932	1,492	436	29
1933	1,591	478	30
1934	1,973	542	27
1935	1,766	563	32
1936	2,193	745	34
1937	--	--	--
1938	3,437	924	27

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On 11 June 1948, the factory was nationalized and was given the name of Ianos Herbak shoe factory. Almost instantly, production soared and working conditions improved. All workshops have ventilating units and a sufficient number of baths and showers for the workers. Each machine has protecting units attached to it. Workers are given free medical care and workers' children can benefit from the newly installed nurseries and day schools.

These improvements resulted in an increased rate of production. During the past several years, approximately 70-80 percent of the workers were engaged in workers' competitions. The number of innovations and suggestions made by the workers is growing steadily. For example, there were 146 innovations in 1950, 180 in 1951, and 217 in 1952. During one quarter of 1953 alone, workers made 133 proposals and innovations. Moreover, the number of skilled and highly trained personnel rose until, in the first quarter of 1953, there were 34 Stakhanovites and 790 leaders in production. During both 1951 and 1952, the Ianos Herbak factory ranked among the leading factories of the nation. (4)

SOURCES

1. Bucharest, Probleme Economice, Jan 54 (article by R. Lazar)
2. Ibid., Jan 54 (article by Gheorghe Stanescu)
3. Ibid., Dec 53 (article by L. Hillinger)
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